

IN THE

**United States Court of Appeals  
For the Ninth Circuit**

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BILTMORE MUSIC CORPORATION and HERBERT BROWNELL, JR., Attorney General of the United States, as Successor to the Alien Property Custodian,  
*Appellants,*

vs.

ROBERT W. KITTINGER,  
*Appellee.*

APPEAL FROM THE UNITED STATES DISTRICT COURT, SOUTHERN DISTRICT OF CALIFORNIA, CENTRAL DIVISION

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**APPELLANTS' OPENING BRIEF**

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## SUBJECT INDEX

	PAGE
I	
Statement as to Jurisdiction .....	1
II	
Statement of the Case—Preliminary .....	2
A. The Agreed Statement of Facts .....	3
B. The Questions Involved .....	5
1. Arguments raised below .....	5
2. The decision below .....	6
III	
Specifications of Error .....	6
Summary of Argument .....	8
POINT ONE—Appellee's manufacture and sale of the phonograph records entitled "You Can't be True" constitute an unquestionable in- fringement of the basic work, the musical com- position "Du Kannst Nicht Treu Sein" ....	10
(a) Admittedly the copyright is valid and was validly vested in appellant Brownell as Attorney General and his predeces- sors in title .....	10
(b) Neither appellant Brownell nor any of his predecessors in title were obliged in order to protect the right of me- chanical reproduction in this country, to file any notice under the provisions of Section 1(e) of 17 U. S. C., the Copy- right Act, by reason of the authority granted by appellant's foreign prede- cessor to manufacture and sell records in Germany, or by reason of any other fact .....	10

POINT Two—Moreover, the new arrangement of the basic work, recorded by appellee in his phonograph record, without the authority of the copyright proprietor, was also an infringement of the basic work. No rights therein could be acquired by the arranger, or anyone deriving from him, without the consent of the copyright proprietor .....	18
POINT THREE—Appellant Biltmore, by virtue of its grant from the copyright proprietor of the basic work, validly acquired all rights to the new arrangement from the arranger and thereupon the new arrangement together with the new lyric and translation were properly the subject of a separate valid copyright registered as No. E. Pub. No. 24797. This copyright too was infringed by defendant's recordings .....	22
POINT FOUR—Appellee's failure to furnish to the appellants the essential report and pay the royalties with respect to appellee's manufacture and sale of the phonograph records "You Can't be True", even after the filing of the notice of use of the new work by appellant Biltmore, pursuant to Section 1(e) 17 U. S. C., subjects the appellee in any event to the penalties provided by the Copyright Law .....	35
POINT FIVE—Appellee is liable individually although the phonograph records were manufactured and sold by a corporation which he managed and controlled .....	39
POINT SIX—Judgment should be reversed with appropriate instructions for judgment for appellants for an accounting of profits and for damages .....	41

## Table of Authorities

### Cases

	PAGE
Albert v. Hoffnung & Co., 22 N. S. W. Reps. 75 . . . . .	14
Adventures in Good Eating, Inc. v. Best Places to Eat, Inc., 131 F. 2d 809 . . . . .	40
Altman v. New Haven Union Co., 254 Fed. 113 . . . . .	40
American Code Co. v. Bensinger, 282 Fed. 829 . . . . .	12
Associated Music Publishers Inc. v. Debs Memorial Radio Fund, Inc., 141 F. 2d 852 . . . . .	40
Baker v. Taylor, Fed. Cas. No. 782 . . . . .	12
Baron v. Leo Feist, Inc., 78 F. Supp. 686 . . . . .	35
Basevi v. Edward O'Toole Co., 26 F. Supp. 41 . . . . .	12
Blane v. Lantz, 83 U. S. P. Q. 137 . . . . .	29
Brown v. Molle Co., 20 F. Supp. 135 . . . . .	28
Capitol Records, Inc. v. Mercury Records Corp., 105 U. S. P. Q. 163 . . . . .	27
Carte v. Evans, 27 Fed. 861 . . . . .	20
Chappell & Co., Ltd. v. Columbia Graphophone Co., Law Rep. 2 Ch. 124 . . . . .	20
Conde Nast Publications Inc. v. Vogue School, 105 F. Supp. 325 . . . . .	40
De Acosta v. Brown, 146 F. 2d 408 . . . . .	40
De Mille Co. v. Casey, 121 Misc. Rep. 78, 201 N. Y. Supp. 20 . . . . .	29
Donaldson v. Becket, 7 Brown's Parl. Cases 88 . . . . .	12
Edward B. Marks Music Corp. v. Foullon, 79 F. Supp. 664 . . . . .	20, 39
F. A. Mills Inc. v. Standard Music Roll Co., 223 Fed. 849 . . . . .	37
Falk v. Curtis Publishing Co., 98 Fed. 989 . . . . .	40
Ferris v. Frohman, 223 U. S. 424 . . . . .	15, 28, 33
Freudenthal v. Hebrew Pub. Co., 44 F. Supp. 754 ..	24

	PAGE
George v. Victor Talking Machine Co., 38 U. S. P. Q. 222 .....	33
G. Ricordi & Co., Inc. v. Columbia Gramaphone Co., 270 Fed. 822 .....	11
Group Publishers, Inc. v. Winchell, 86 F. Supp. 573 .....	22, 23
Harper v. Shoppell, 28 Fed. 613 .....	40
Harris v. Miller, 50 U. S. P. Q. 306 .....	24
Heim v. Universal Pictures Co., Inc., 154 F. 2d 480 .....	12, 13
Hoague-Sprague Co. v. Meyer Co., 27 F. 2d 176 .....	16
Houghton Mifflin Co. v. Stackpole Sons, Inc., 104 F. 2d 306 .....	24
Italian Book Co. v. Cardilli, 273 Fed. 619 .....	12
Jollie v. Jacques, Fed. Cas. #7,437 .....	20
Kalem Co. v. Harper Bros., 222 U. S. 55 .....	40
Keene v. Wheatley, Fed. Cas. #7,644 .....	20
Kennedy v. McTammany, 33 Fed. 584 .....	30
Leibowitz v. Columbia Graphophone Co., 298 Fed. 342 .....	32, 34
Leo Feist Inc. v. Gramaphone Co. (1928) V. L. R. 420 .....	14
Leon v. Pacific Tel. & Tel. Co., 91 F. 2d 484 .....	40
Mills Music, Inc. v. Cromwell Music, Inc., 126 F. Supp. 54 .....	11, 27, 28, 34
Monekton v. Gramophone Co., 106 L. T. 84 .....	33
M. Witmark & Sons v. Calloway, 22 F. 2d 412 .....	24
National Comics Publications, Inc. v. Fawcett Publications, Inc., 191 F. 2d 594 .....	38
Nutt v. National Institute, Inc., 31 F. 2d 236 .....	29

	PAGE
Pathe Exchange Inc. v. International Alliance, 3 F. Supp. 63 .....	40
Patterson v. Century Productions, Inc., 93 F. 2d 489 .....	29
R. C. A. Mfg. Co. Inc. v. Whiteman, 114 F. 2d 86 ...	27, 28
Reed v. Carusi, Fed. Cas. #11,642 .....	20
Shapiro, Bernstein & Co., Inc. v. Miracle Record Co. Inc., 91 F. Supp. 473 .....	26, 27, 28, 34
Society of European Stage Authors & Composers, Inc. v. New York Hotel Statler Co., Inc., 19 F. Supp. 1 .....	15
Stearn v. Rosey, 17 App. D. C. 562 .....	29
Stuart v. Smith, 68 Fed. 189 .....	40
Supreme Records, Inc. v. Decca Records, Inc., 90 F. Supp. 904 .....	19
Towle v. Ross, 32 F. Supp. 125 .....	40
Universal Film Mfg. Co. v. Copperman, 218 Fed. 577 .....	33
Uproar Co. v. National Broadcasting Co., 8 F. Supp. 358 .....	28
Washingtonian Publishing Co. v. Pearson, 306 U. S. 30 .....	15, 36, 38
White-Smith Music Pub. Co. v. Apollo Co., 209 U. S. 1 .....	16, 29, 30, 32, 34
Wrench v. Universal Pictures Co. Inc., 104 F. Supp. 374 .....	23
Yacoubian v. Carroll, 74 U. S. P. Q. 257 .....	34

## Statutes and Other Authorities

	PAGE
British Copyright Acts of 1911, 1914 .....	14
California Civil Code, Secs. 980, 983 .....	29
Copyright Law of the United States (17 U. S. C.)	
1, 4, 5, 6, 7, 8, 9, 10, 11, 15, 16, 17,	14
18, 25, 29, 30, 32, 33, 35, 37, 38	14
Copyright Office Bulletin .....	32
Section 4952, Revised Statutes .....	32
43 Stat. 1976 .....	15
48 Stat. 1713 .....	15
49 Stat. 3413 .....	15
49 Stat. 3420 .....	15
Trading with the Enemy Act (50 U. S. C.) .....	2, 3
28 U. S. Code, Sect. 1291 .....	2
28 U. S. Code, Sect. 1331 .....	2

## Treatises and Articles

Ball, The Law of Copyright & Library Property .....	16
Burton, Business Practices in the Copyright Field ..	26
Copinger & Skone-James, Law of Copyright, 8th Ed. ....	14
Farmer, Report to Section of American Bar Association .....	34
Howell, The Copyright Law, 3rd Ed. ....	12, 17
Ladas, The International Protection of Literary and Artistic Property .....	12
McDonald, The Law of Broadcasting .....	26
Shafter, Musical Copyright .....	13
Schulman, Authors' Rights .....	26
Schulman, A Realistic Treaty .....	34
Tannenbaum, Practical Problems in Copyright .....	26
Weil, Copyright Law .....	37

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**APPEAL FROM THE UNITED STATES DISTRICT COURT, SOUTHERN  
DISTRICT OF CALIFORNIA, CENTRAL DIVISION**

**APPELLANTS' OPENING BRIEF**

**I**

**Statement as to Jurisdiction.**

This is an action for infringement of statutory copyrights seeking injunctive relief and money damages (3).\* The action was tried on an Agreed Statement of Facts (39). Judgment was entered October 15, 1954 (86), dismissing the complaint (as well as a counterclaim asserted by defendant as to which no appeal is taken) and taxing costs of \$250 in favor of defendant against plaintiff Biltmore Music Corporation. The cause of action in the complaint arose under the Copyright Law of the United States (17

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\* References are to Transcript of Record.

United States Code, Sections 1 to 215, inclusive) and the Trading With the Enemy Act (50 United States Code, Appendix Section 17) and jurisdiction is based upon Section 1331 of Title 28 of the United States Code as Amended. Jurisdiction of the Court on appeal exists under 28 United States Code, Section 1291.

## II

### Statement of the Case.

#### Preliminary

The United States Attorney General is the copyright proprietor, by succession to the Alien Property Custodian (40) who was vested with ownership of the statutory copyright of certain German nationals, in a musical composition entitled "Du Kannst Nicht Treu Sein", hereinafter called the "basic work" (44).

Plaintiff Biltmore Music Corporation (hereinafter called "Biltmore") is the licensee of the Attorney General with respect to a new arrangement of the basic work "by Ken Griffin (American) with English lyrics by Hal Cotten (Pseudonymn for J. F. Bard and Dave Dreyer) (45, 17-18) which hereinafter will be referred to as the "new work", the musical part of which will be called the "new arrangement".

The action (3) was instituted by plaintiffs for copyright infringements by defendant of (a) the basic work and (b) the new work (11) by the use of the new arrangement in a phonograph record entitled "You Can't Be True" which was manufactured and sold by Chicago Recording Studios, Inc., a corporation under the management and control of defendant (42) who was its president and general manager and who arranged for the recording, release, and sale of all its phonograph records (41).

### A. The Agreed Statement of Facts

Having been tried on an agreed statement of facts (39), the case presented no issue of fact, and reference to the pleadings is unnecessary. The facts stipulated by the parties included:

Prior to 1935 two German nationals composed the lyrics and music of a musical composition entitled "Du Kannst Nicht Treu Sein" (the basic work) which was duly registered for copyright in this country and received registration No. E. For. 39841 (40). Plaintiff Attorney General is the successor in interest to the copyright by virtue of transfer by law from the Alien Property Custodian who had seized it on February 24, 1948 pursuant to the Trading With the Enemy Act (44). Validity of the copyright and ownership by the Attorney General is uncontested.

Prior to August 20, 1947 one Ken Griffin composed a new arrangement of the basic work without authority of the copyright proprietor (42-43). On that day defendant employed Griffin under a labor union form contract (42) to play eight organ solo compositions one of which was the new arrangement of the basic work (41-42).

In October, 1947 defendant sold phonograph records of the new arrangement under the translated title "You Can't Be True" and sales were made until March 14, 1952 (42). Neither Griffin nor defendant had the permission of the copyright proprietor of the basic work to manufacture or sell the records of the new arrangement (42-43).

Subsequent to recording for defendant, Griffin performed the new arrangement for a recording by another company, a competitor of defendant's company (43). Thereafter Griffin assigned the new arrangement to J. F. Bard on February 17, 1948 (44).

It was not until March 2, 1948 that any right or authority was granted by the copyright proprietor of the basic

work. On that date J. F. Bard Company, Inc. obtained from the then proprietor, the Alien Property Custodian, a license, No. E1277, granting it the right to publish sheet music and issue phonograph records of the composition, limited to the new arrangement by Ken Griffin with English lyrics composed by Dave Dreyer and J. F. Bard (45, 61, 17).

On March 5, 1948 the Bard Company assigned its rights acquired from the Attorney General to Biltmore (45) and J. F. Bard personally orally assigned to Biltmore the rights he had acquired by virtue of Griffin's assignment of the new arrangement (45). On March 9 Biltmore filed a notice of use pursuant to Section 1(e) of the Copyright Law (46) and prior to March 15, 1948 it published sheet music copies of the new work consisting of the new arrangement and the new lyrics (46). The copies bore the required copyright notice, and on deposit on March 15th of two copies in the United States Copyright Office, Biltmore was granted Copyright Registration No. E. Pub. 24797 on the new work. The Copyright Certificate is dated April 9, 1948 (46).

On March 16, 1948 defendant was notified to cease manufacture of the phonograph record "You Can't Be True" on the ground of infringement of copyright (46). Defendant refused; he neither paid the Bard Company, Biltmore, nor anyone else, any license fee or royalties in connection with his phonograph records of the new arrangement (47). Most of the records sold by defendant were sold after written notice to desist and during the period when Biltmore publicized and exploited its new work at substantial expense (47, 42).

## B. The Questions Involved

### 1. Arguments raised below

The defenses below to the obvious infringement of the basic work by defendant's manufacture of the phonograph records of the new and unauthorized arrangement were:

(a) the copyright proprietors of the basic work had failed to file a notice of use when they licensed mechanical reproduction in Germany, and hence mechanical rights thereof are not protectable here.

(b) the alleged infringing acts were committed by a corporation and hence defendant is not personally liable.

As to the new work which had been copyrighted by plaintiff Biltmore, defendant urged

(a) Since plaintiff Biltmore acquired its rights to the new arrangement by an oral assignment, its copyright of the new work of which the new arrangement was a part, was invalid.

(b) Defendant had obtained the right to use the new arrangement from Griffin and his manufacture and sale of phonograph records, although unauthorized by the proprietor of the basic work upon which it infringed, constituted a publication sufficient to dedicate the new arrangement to the public domain; hence Biltmore's copyright of the new work and the notice of use which it filed pursuant to Section 1(e) were both ineffective.

## 2. The decision below

The District Court, in dismissing the Complaint, held:

1. The basic work was not protectable against defendant's infringement because phonograph records had been manufactured in Germany with permission of the copyright proprietor without the filing of a notice under 1(e) of 17 U. S. C. (84, #3).
2. Griffin had validly licensed defendant's manufacture of records of the new arrangement (85, #4).
3. The manufacture of defendant's record of the new arrangement without the filing of a notice under 1(e) of 17 U. S. C. by Griffin precludes recovery by plaintiffs for infringement by use of the new arrangement (85, #5).
4. The manufacture and sale of phonograph records of the new arrangement by the defendant constituted a publication, and hence the copyright secured by plaintiff Biltmore on the new work (which includes the new arrangement) after such manufacture and sale rendered the copyright registration of the new work invalid (85, #6).

## III

### Specifications of Error.

The Court below committed the following errors in its Conclusions of Law:

1. Conclusion of Law 3 is erroneous in stating that recovery against defendant for his unauthorized mechanical reproduction of the basic work was precluded by failure of the Attorney General and his predecessors to file a notice of use with respect to the license granted to the German company for such reproduction in Germany (84).

2. Conclusion of Law 4 is erroneous in stating that defendant had received a valid license from the composer of the "new arrangement" to manufacture and sell records of the "new arrangement" (*id.*).

3. Conclusion of Law 5 is erroneous in stating that the failure of Biltmore's predecessor in title to the new arrangement (*i.e.* Griffin, the composer of the new arrangement) to comply with Section 1(e) precludes Biltmore from recovering from defendant for mechanical reproduction of the new arrangement (85).

4. Conclusion of Law 6 is erroneous in stating that there had been a publication of the new arrangement prior to copyright by Biltmore and hence copyright registration of the new work is invalid (*id.*).

The Court below committed the following additional errors:

1. Dismissing the complaint.

2. Failing to grant judgment in favor of plaintiffs for an accounting of profits and for damages.

a. as to all records manufactured by defendant,  
or

b. as to those records manufactured after Biltmore filed its notice of use of the new work pursuant to Section 1(e).

## SUMMARY OF ARGUMENT

I. Appellee's manufacture and sale of the phonograph record entitled "You Can't Be True" constitutes an unquestionable infringement of the basic work "Du Kannst Nicht Treu Sein".

(a) Copyright of the basic work is admittedly valid and vested in appellant Attorney General;

(b) The license granted by his German predecessor in title to mechanically reproduce the work in Germany did not require that a notice of use be filed under Section 1(c) of the Copyright Law in order to protect mechanical reproduction rights in this country, because the Copyright Law has no extra-territorial effect.

II. Moreover, the new arrangement of the basic work, recorded by appellee in its phonograph record, without the authority of the copyright proprietor, was also an infringement of the basic work. No rights therein could be acquired by the arranger, or anyone deriving from him, without the consent of the copyright proprietor.

(a) Griffin, the composer of the new arrangement, did not purport to and did not license defendant's manufacture of the phonograph record of the arrangement; if he had, the license would be ineffective because his arrangement constituted an infringement of the basic work and no rights existed in him or his licensee.

III. Biltmore, by virtue of its grant from the Attorney General, the copyright proprietor of the basic work, was enabled to acquire all rights in the new arrangement from Griffin and validly acquired a copyright of the new work of which such arrangement was a part. This new copyright too was infringed by defendant's recordings.

(a) The parol assignment from Griffin's assignee Bard, was valid.

(b) Appellee's unauthorized manufacture and sale of the phonograph record "You Can't Be True", prior to Biltmore's authorized acquisition of the new arrangement, did not constitute a publication so as to place the arrangement in the public domain.

1. The act of the infringer cannot operate to forfeit the rights of the true copyright owner;

2. The manufacture and sale of phonograph records do not constitute a publication so as to place the work in the public domain whether or not previously registered for copyright.

IV. Appellee's failure to account and pay royalties after the filing of Biltmore's notice of use subjects him to the penalties provided by the Copyright Law. The penalty for failure to file a notice of use under Section 1(e) of the Copyright Law is not a forfeiture of the mechanical reproduction right, and hence even if any such failure existed in the instant case, it would at most only protect defendant with respect to infringements prior to the filing of the notice of use by plaintiff Biltmore and notification to defendant.

V. Appellee is liable individually although the actual manufacture and sale were done by a corporation because

(a) he managed and controlled the corporation, and

(b) the liability to be imposed is a tort liability, not contract; hence the corporate veil may be ignored; appellee personally was a tortfeasor by reason of his participation.

## POINT ONE

**Appellee's manufacture and sale of the phonograph records entitled "You Can't Be True" constitute an unquestionable infringement of the basic work, the musical composition "Du Kannst Nicht Treu Sein".**

(a)

**Admittedly the copyright is valid and was validly vested in appellant Brownell as Attorney General and his predecessors in title.**

The defendant has conceded that the registration of the basic work for copyright as class E. For. No. 39841 was valid (Record,\* pp. 69, 72) and that the copyright was validly seized by the Alien Property Custodian to whom appellant Brownell as Attorney General has succeeded (40, 44).

(b)

**Neither appellant Brownell nor any of his predecessors in title were obliged in order to protect the right of mechanical reproduction in this country, to file any notice under the provisions of Section 1(e) of 17 U. S. C., the Copyright Act, by reason of the authority granted by appellant's foreign predecessor to manufacture and sell records in Germany, or by reason of any other fact.**

The sole ground of defense urged below to the claim of infringement of the basic work, and the sole ground of the dismissal of that claim by the District Court was that the failure to file a notice of use with respect to the authorized manufacture of phonograph records in Germany precluded recovery against the defendant.

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\* Refers to page of original record, not printed in Transcript. Reference to numbers, without the word "Record" refers to page in Transcript.

The extra-territorial effect which the decision of the District Court gives to our Copyright Law is contrary to every decision on the subject in this country, to the unanimous agreement of the textwriters, to the administrative interpretations of the Copyright Law, and to the decisions in other countries upon whose laws our statute is patterned.

While it is true that Section 1(e) does not in express language confine the filing requirement to cases where the mechanical use is a domestic one, judicial interpretation of the entire section, of the corresponding enforcement provision, Section 101(e) and other sections of the Copyright Law, indicates it is intended to be so limited.

Thus, in *G. Ricordi & Co., Inc. v. Columbia Gramaphone Co.*, 270 Fed. 822 (S. D. N. Y. 1920), an action to recover damages for unauthorized manufacture of phonograph records pursuant to Section 25(e), predecessor of 101(e), defendant sought to escape liability on the ground that certain of the records had been manufactured in Canada. While the contention was accepted, it was found that the records had all actually been manufactured in this country. The opinion is clear, however, that had they been manufactured in Canada, there would have been no liability and the Copyright Law would be given no extra-territorial application.

A similar avoidance of extra-territoriality in copyright is found in *Mills Music, Inc. v. Cromwell Music, Inc.*, 126 F. Supp. 54, 60, 69-70, 71, 75-76 (S. D. N. Y. 1954). It was there held that the recording of a musical work abroad will not invalidate mechanical or other rights in the copyright subsequently obtained as a result of authorized publication in this country. The decision in the *Mills* case, the opinion in which does not mention any notice of use, is directly in point, for the same question is involved—whether an authorized mechanical use in a foreign country has the same consequence as such a use in this country.

In *Italian Book Co. v. Cardilli*, 273 Fed. 619 (S. D. N. Y. 1918) the argument was made that a musical composition which had been published in Italy without a notice of copyright required by our Copyright Law was in the public domain in this country (under the rule stated in 1774 in *Donaldson v. Becket*, 7 Brown's Parl. Cases 88, 4 Burroughs 2408 and followed since). The Court rejected the argument and said:

"The whole line of cases, holding that publication without copyrighting destroys the right to a subsequent copyright, are either founded on statutes differing from the present one, or on a proven publication in the country of the court rendering the decision. It seems to me as a matter of first impression that the publication in Italy was, by the terms of the notice printed or stamped on each copy sold, limited to Italy, and did not (in the absence of statutory prohibition) prevent the subsequent American copyright, if (as in the case here) there had been no publication in the United States prior to that of the copyright owner" (at p. 620).

More than twenty years later, in *Basevi v. Edward O'Toole Co.*, 26 F. Supp. 41 (S. D. N. Y. 1939) another judge of the same Court declined to follow that holding. Several years later, however, the *Basevi* case was expressly overruled by the Court of Appeals in *Heim v. Universal Pictures Co., Inc.*, 154 F. 2d 480 (2d Cir. 1946). In that case the musical composition had been published in Hungary in 1935 with a copyright notice incorrectly stating the year of copyright as 1936. The argument was made that placing a later incorrect year in the copyright notice invalidates the copyright (*Baker v. Taylor*, Fed. Cas. No. 782 (S. D. N. Y. 1848); *American Code Co. v. Bensinger*, 282 Fed. 829, 836 (2d Cir. 1922); *Howell, The Copyright Law*, 3d Ed. 72; *Ladas, The International Protection of Literary and Artistic*

*tic Property*, 746; *Shafter, Musical Copyright*, 98). In avoidance of such consequence it was argued that the publication in a foreign country did not constitute a publication within Section 9 which would require the affixation of a proper copyright notice. Judge Frank said:

“ \* \* \* We construe the statute, as to a publication in a foreign country by a foreign author (i.e., as to a publication described in the 1914 amendment), not to require, as a condition of obtaining or maintaining a valid American copyright, that any notice be affixed to any copies whatever published in such foreign country, regardless of whether publication first occurred in that country or here, or whether it occurred before or after registration here.

“It seems to be suggested by some text-writers that, under the 1914 amendment, where publication abroad precedes publication here, the first copy published abroad must have affixed to it the notice described in Sec. 18. Such a requirement would achieve no practical purpose, for a notice given by a single copy would obviously give notice to virtually no one. There is no doubt textual difficulty in reconciling all the sections, as has been often observed; the most practicable and, as we think, the correct interpretation, is that publication abroad will be in all cases enough, provided that, under the laws of the country where it takes place, it does not result in putting the work into the public domain. Assuming, arguendo, that plaintiff's publication in Hungary did not do so, it could not affect the American copyright that copies of his song were at any time sold there without any notice of the kind required by our statute, and it would therefore be of no significance, in its effect on the American copyright, if copies sold in Hungary bore a notice containing the wrong publication date” (at pp. 486-487).

The view expressed in the standard treatise on British Copyright Law, *Copinger and Skone-James, Law of Copyright* (8th ed.), is that foreign licensing to record does not have the same consequence as a domestic license (at p. 230):

"It is thought that to comply with this provision contrivances must previously have been made within some part of His Majesty's Dominions to which the Act applies; and that the fact that contrivances had been made in a foreign country with the acquiescence of the owner of the copyright would not afford a ground for compulsory license here. It would seem that this Act can only intend to avoid exclusive licenses of the right conferred by it and cannot be concerned with rights granted by foreign legislatures."

The British author then cites *Albert v. Hoffnung & Co.*, 22 N. S. W. Reports 75 and *Leo Feist Inc. v. Gramophone Co.* (1928) V. L. R. 420. The *Albert* case decided the precise question presented here. There the English copyright owner had licensed the defendant to record and sell phonograph records of a song. Defendant manufactured the records in England and exported them to New South Wales. Plaintiff was the copyright proprietor by assignment of the New South Wales copyright and sued defendant for infringement of the mechanical rights of its copyright. The Court held that the local copyright proprietor was the sole owner of the mechanical rights in New South Wales and that the grant of recording right in England by the copyright proprietor there was not effective to bring the compulsory license clause of the New South Wales act into play until there had been "local acquiescence" in the authorization to record and sell phonograph records.

Decisions under the British Copyright Acts of 1911 and 1914 are given weight by the courts in this country.

*The Washingtonian Publishing Co. v. Pearson*, 306 U. S. 30 (1938) at page 42;  
*Society of European Stage Authors & Composers, Inc. v. New York Hotel Statler Co., Inc.*, 19 F. Supp. 1, 6 (S. D. N. Y. 1937).

These decisions and text views are the necessary consequence of the basic theory of copyright law which confines the applicability of the statutory enactments of any country to its own territorial limits. *Ferris v. Frohman*, 223 U. S. 424, 434 (1912).

Administrative interpretation to the effect that reproduction by mechanical means in foreign countries is not to be considered the same as reproduction in the United States is indicated by proclamations of the President in granting protection under Section 1(e) to foreign owners of domestic copyrights.

An example is the proclamation applying to Argentina dated August 23, 1934 (49 Stat. 3413) which provides:

“And provided further, that the provisions of Section 1(e) of the Act of March 4, 1909, insofar as they secure copyright controlling parts of instruments serving to reproduce mechanically musical works shall apply only to compositions published after July 1, 1909, and registered for copyright in the United States, *which have not been reproduced in the United States prior to August 23, 1924, on any contrivance by means of which the work may be mechanically performed.*” (Italics supplied.)

To the same effect see Proclamations:

Switzerland, November 22, 1924, 43 Stat. 1976;  
Palestine, September 29, 1933, 48 Stat. 1713;  
Spain, October 10, 1934, 49 Stat. 3420.

This terminology in proclamations is clear recognition of the principle that foreign authors may have the protection of Section 1(e) even though their compositions have been mechanically recorded abroad so long as they have not been released in this country prior to the proclamation date.

Such administrative interpretations are normally accepted by the Courts. As stated by Ball, *The Law of Copyright and Literary Property*:

"When questions have arisen respecting compliance with the statutory formalities, the courts have given respectful consideration to the construction placed upon the copyright statutes by the administrative officers charged with their execution, and have refused to overrule their administrative acts without cogent reasons for so doing" (at p. 62).

Citing:

*Hoague-Sprague Co. v. Meyer Co.*, 27 F. 2d 176 (E. D. N. Y. 1928).

The history of the compulsory license provision and its inclusion in Section 1(e) supports the theory of local application only. Section 1(e) was added to the copyright law in 1909 as a result of the decision in the case of *White-Smith Music Pub. Co. v. Apollo Co.*, 209 U. S. 1 (1908) which held that phonograph records did not constitute copies of a song and hence did not subject the recorder to suit for copyright infringement. The obvious injustice of permitting one to commercially appropriate another's musical work led to the amendment of the Copyright Act so as to provide that mechanical reproduction was an exclusive right of the copyright owner.

Conflicting interests of copyright owners and phonograph record companies were resolved by granting the copyright owner the exclusive right to authorize the first recording. From that time on anyone else would have the advantage of a compulsory license.

The Congressional Committee report is presented in Howell, *Copyright Law*, 3rd Ed. at p. 253, *et seq.* With respect to Section 1(e) it reads:

"Your committee have felt that justice and fair-dealing, however, required that when the copyrighted music of a composer was appropriated for mechanical reproduction the composer should have some compensation for its use, and that the composer should have the further right of forbidding, if he so desired, the rendition of his copyrighted music by the mechanical reproducers. How to protect him in these rights without establishing a great music monopoly was the practical question the committee had to deal with. The only way to effect both purposes, as it seemed to the committee, was, after giving the composer the exclusive right to prohibit the use of his music by the mechanical producers, to provide that if he used or permitted the use of his music for such purpose then, upon the payment of a reasonable royalty, all who desired might reproduce the music" (pp. 259-260).

It is obvious that the Congress was not concerned with the existence of monopolies in foreign countries; that was a matter for the lawmaking bodies of those countries to regulate.

The mechanical protection afforded the basic work in Germany was not granted by the United States copyright but by the German copyright. The question of whether the grant of a license to record in Germany required the

observance of any formality in order to protect the copyright owner with respect to other users of the basic work for mechanical purposes was a matter to be determined by the German law. So far as the United States copyright is concerned—and that is the only question involved in the present case—the basic work has never been authorized for mechanical reproduction in this country.

It is respectfully submitted that the District Court was in error in holding no remedy was available for defendant's flagrant infringement because of the failure of the original copyright proprietor to file a notice of use under Section 1(e) upon licensing German mechanical reproduction.

## POINT TWO

Moreover, the new arrangement of the basic work, recorded by appellee in his phonograph record, without the authority of the copyright proprietor, was also an infringement of the basic work. No rights therein could be acquired by the arranger, or anyone deriving from him, without the consent of the copyright proprietor.

The Copyright Law (Section 1) provides:

“EXCLUSIVE RIGHTS AS TO COPYRIGHTED WORKS.—  
Any person entitled thereto, upon complying with the provisions of this title, shall have the exclusive right:

\* \* \*

(b) \* \* \* to arrange or adapt it if it be a musical work; \* \* \*.”

It is obvious from the express terms of the statute that when Griffin made his arrangement of the basic work he was infringing on the copyright.

That the infringer has no rights whatsoever in his infringing arrangement is indicated by *Supreme Records, Inc. v. Decca Records, Inc.*, 90 F. Supp. 904 (S. D. Cal. 1950). In that case, plaintiff, the owner of a master recording of a musical composition, brought an action for an accounting and damages against a phonograph record company on the ground of unfair competition in that the defendant was alleged to have appropriated the plaintiff's arrangement of a musical composition. The composer of the musical composition was not a party to the action and did not appear to support either side. The specific question which the Court first considered was whether the arranger had a property interest which could be protected. Plaintiff argued that its license from the composer to record the composition gave it a property right in its own arrangement which could be asserted against the defendant. Pointing out that it is only the copyright owner or the composer of the copyrighted song who may assert rights to the arrangement and to register it as a new work, the Court held:

"I do not think that a mere recording of an arrangement of a musical composition by one who is not the author of the composition is a property right which should be given recognition in equity. It is quite apparent from the rule of the (Patent) Office, to which I refer, that in their interpretation of the copyright act, no recognition of the right of arrangement is given to anyone *except the author*" (at p. 908).

From the entire opinion it appears that the plaintiff in that case had not received a grant of a right to arrange the work which might give him a basis for copyrighting as a new work. The Court pointed out:

"\* \* \* And it is evident from a study of the copyright law, that the Congress did not intend to give recognition to the right of arrangement, disassociated

from the work *itself*, to which the author claims the right. Otherwise, a right could be segmented and portions of it could be asserted by persons who do not claim *direct* ownership of a musical composition, but merely certain *subsidiary* rights" (at p. 909).

That a copyright owner is entitled to protection from unauthorized arrangements or versions, as infringements of copyright, was recognized as early as 1845 in *Reed v. Carusi*, Fed. Cas. #11,642, 20 Fed. Cas. 431 (C. C. Md. 1845).

Accord:

*Edward B. Marks Music Corp. v. Foullon*, 79 F. Supp. 664 (S. D. N. Y. 1948), aff'd 171 F. 2d 905 (2d Cir. 1949);  
*Jollie v. Jaques*, Fed. Cas. #7,437, 13 Fed. Cas. 910 (S. D. N. Y. 1850).

See:

*Carte v. Evans*, 27 Fed. 861, 862 (D. Mass. 1886).

The Law in England is the same:

*Chappell & Co., Ltd. v. Columbia Graphophone Company* (1914) Law Reports, 2 Ch. 124 and 174.

Indeed, it would appear that if there is any ownership in the arrangement composed by Griffin it would, apart from his later assignment to plaintiff Biltmore, have become the property of the plaintiff Attorney General or his predecessors. In *Keene v. Wheatley*, Fed. Cas. #7,644, 14 Fed. Cas. 180 (E. D. Pa. 1861), in which it appeared that certain pencilled additions had been made to plaintiff's manuscript, the Court held, on the principle of accession, that the plaintiff was entitled to proprietorship of the additions. It said in its opinion:

" \* \* \* the literary proprietorship of the principal composition included that of the additions to it which

have been described as written, in pencil, on the complainant's manuscript, and of such other additions as may have been made in writing. These additions, as literary accessions, were incapable of independent proprietorship. *Hatton v. Kean*, 29 Law J. C. P. 20, 7 C. B. (N. S.) 268; Poth Propriete 170-175; Code Nap. 566, 567; and see the citations of other modern European codes in St. Joseph's Concordance \* \* \*.

"In whose handwriting the additions were, does not appear and is not material. That they were conceived and suggested, if not written, by Mr. Jefferson when engaged in assisting the complainant in bringing out the play, is indisputable \* \* \* his relation to her as his employer would have rendered him incapable of acquiring in them an independent proprietorship of his own. The duties of theatrical performers to their employers are, in this respect, like those of artists retained under a standing engagement in any other professional services \* \* \*. The direct application of the principle to literary compositions, their parts, additions, and accessions, is too familiar to require more than a reference to some of the authorities" (pp. 186-187).

Thus, even if Griffin had purported to convey any rights to defendant, it would have been ineffective, for Griffin had no rights to convey. In truth he did not purport to give defendant any license to record his arrangement; he merely accepted employment under a union form contract to render services as a performing "musician" (51). It was defendant's obligation to obtain any necessary license, as is the customary practice.

### POINT THREE

Appellant Biltmore, by virtue of its grant from the copyright proprietor of the basic work, validly acquired all rights to the new arrangement from the arranger and thereupon the new arrangement together with the new lyric and translation were properly the subject of a separate valid copyright registered as No. E. Pub. No. 24797. This copyright too was infringed by defendant's recordings.

Appellant Biltmore acquired from Griffin, the infringing arranger of the basic work, and from appellant Brownell's predecessor, the copyright proprietor of the basic work, the right to copyright the new arrangement and the new lyrics.

Appellee admits that the new work, consisting of Griffin's arrangement and the lyrics by Dreyer and Bard, were entitled to copyright registration as a new work.

Griffin had no property right in his unauthorized arrangement which he could transfer to defendant. The right to such new arrangement, if in anyone, became by accession the property of the copyright proprietor of the basic work. In any event, it would appear that appellant Biltmore, by virtue of rights expressly granted in its favor by Griffin and the copyright proprietor of the basic work (the Attorney General's predecessor) had all of the rights necessary for copyright registration of the new work.

#### (a)

Appellee urged below that Biltmore never validly acquired the right to copyright the new arrangement because the assignment from Bard to Biltmore of Griffin's contribution was oral and unrecorded. The argument was based on the decision in *Group Publishers, Inc. v. Winchell*, 86 F. Supp. 573 (S. D. N. Y. 1949). This argument is bad. The

*Group Publishers* case concerned itself solely with the statutory requirement for the recording of a written statutory copyright assignment as a condition to the substitution of the name of the assignee in the copyright notice of a pre-existing statutory copyright. Such requirement would not apply to the new copyright covering a new version of the copyrighted work, with a new English lyric and a new musical arrangement. To cover such new version by protecting the new matter and continuing the copyright protection for the old matter therein, a new copyright notice containing a new year and copyright owner (if in fact different from the former) is all that is required. *Wrench v. Universal Pictures Co., Inc.*, 104 F. Supp. 374 (S. D. N. Y. 1952). This was done here. As stated in the *Wrench* case after so distinguishing *Group Publishers*:

“But we agree with plaintiff that here this was not the result, for it was not an instance of a republication of the same work at a later date. The revision of the original story ‘My Heart’s In My Mouth’ we find after comparison to be substantial and sufficient to constitute a new work. *Davies v. Columbia Pictures*, D. C., 20 F. Supp. 809. In addition, it has been republished in chapter form as an integral part of a book which undisputedly contains substantial new matter and which as a new work under Section 7 of the Copyright Law 17 USCA Sec. 7 is entitled to separate copyright. *West Publishing Co. v. Edward Thompson, Co.*, 2 Cir., 176 F. 833. And this would be so even if it were found that the chapter and the story ‘My Heart’s In My Mouth’, as first published, were similar. *National Comics v. Fawcett Publications*, 2 Cir., 1951, 191 F. 2d 594. The publication of a new work with its own copyright notice dispenses with the necessity of listing any prior copyright in order to protect it \* \* \*” (p. 378). Accord: *Harris*

v. Miller, 50 U. S. P. Q. 306 at p. 310 (S. D. N. Y. 1949) (not officially reported).

Not only, therefore, was the prior recordation of the assignment unnecessary, but since Griffin conveyed common law rights only, his assignment would not even have had to be of a formal nature, or in writing, *Freudenthal v. Hebrew Pub. Co.*, 44 F. Supp. 754, at p. 755 (S. D. N. Y. 1942). See also, *Houghton Mifflin Co. v. Stackpole Sons, Inc.*, 104 F. 2d 306 (2d Cir. 1939), where the Court said:

“Since Adolph Hitler did not himself take out the copyright there was no need of a formal assignment by him” (at p. 311).

In *M. Witmark & Sons. v. Calloway, et al.*, 22 F. 2d 412 (E. D. Tenn. 1927), the Court held:

“There was no written assignment, nor was one necessary first, because a parol assignment is sufficient (*Callaghan v. Myers*, 128 U. S. 617; *Lawrence v. Dana*, Fed. Cas. No. 8136; and, second, because the copyright is in the name of petitioner, M. Witmark & Sons” (at p. 413).

### (b)

It should be apparent from the foregoing, that inasmuch as defendant's records embodied the copyrighted new arrangement without authorization from either the copyright owner of the arrangement or of the basic work itself, defendant, besides violating the copyright of the basic work, was additionally infringing the copyright of the new arrangement. Nevertheless, the district court held that the defendant's manufacture and sale of such records of the new arrangement constituted a dedicatory publication and, therefore, the copyright secured by plaintiff, Biltmore, on the new work, which included the new arrangement, was invalid.

(1) This determination is clearly erroneous for it imposes a forfeiture of rights against the copyright owner of the basic work because of the act of an infringer. As we have shown above, when Griffin made his arrangement without authority he was an infringer; as such he had no rights in the arrangement which he had made and could not grant rights therein to anyone without the consent of the copyright owner. It was only upon consent of the copyright owner that any rights could be acquired by anyone in the new arrangement. The decision below completely ignores this and treats the infringing arranger as having rights in the unauthorized arrangement (which necessarily embodies the basic work) which he could transfer to the defendant or could place in the public domain. As the arrangement could not exist as a species of property of the infringer capable of protection or assignment, and was the property of the copyright owner, if of anyone, it would indeed be anomalous to permit a forfeiture based on defendant's unauthorized act of manufacturing phonograph records.

(2) The determination of the district court as to "publication" (on the assumption that Griffin validly could and did license the recordings issued by defendant) raises a question of widespread importance. It raises for consideration the dictum of two district court cases to the effect that the manufacture and sale of phonograph records constitute publication so as to place the musical composition so recorded into the public domain unless it has previously been copyrighted under the Copyright Act. No Court of Appeals has yet considered and determined this question, and we respectfully submit that the instant case should serve as the vehicle for an authoritative announcement on this important question of law.

Prior to 1950 it was the generally held belief in all branches of the music industry that the manufacture and

sale of phonograph records did not constitute a "publication", and that a phonograph record was not a "copy" of the musical composition which it recorded. Hence such use of an uncopyrighted musical composition did not serve to dedicate or forfeit so as to place it into the public domain. See:

- Tannenbaum, "Practical Problems in Copyright", in "Seven Copyright Problems Analyzed", 7, 15 (CCH 1952);  
Schulman, "Authors' Rights", id. at 19, 23-25;  
McDonald, "The Law of Broadcasting", id. at 31, 45-46;  
Burton, "Business Practices in the Copyright Field", id. at 87, 102-104.

All precedents (discussed *infra*, pp. 28-35) pointed to the correctness of this industry understanding.

In 1950 the District Court in Illinois in *Shapiro, Bernstein & Co. Inc. v. Miracle Record Co. Inc.*, 91 F. Supp. 473, granted judgment for defendant in a music copyright infringement case. The specific ground for dismissal of plaintiff's claim was that the plaintiff's assignor was not the original composer of the music. After pointing out it was not necessary to discuss the other defenses involved, the Court nevertheless said briefly:

"I might also add that the evidence is that Lewis abandoned his rights, if any, to a copyright by permitting his composition to be produced on phonograph records and sold sometime before copyright. It seems to me that production and sale of a phonograph record is fully as much of a publication as production and sale of sheet music. I can see no practical distinction between the two. If one constitutes an abandonment, so should the other" (at p. 475).

On a motion for a new trial which was overruled, the Court rejected the argument that since the records were not copies of the musical composition, the sale of them could not constitute a publication of the musical composition. The Court said:

"It seems to me that publication is a practical question and does not rest on any technical definition of the word 'copy'." (at p. 475).

The court adverted to the decision of the Second Circuit Court of Appeals in *RCA Mfg. Co. Inc. v. Whiteman*, 114 F. 2d 86, 88 (1940); cert. den. 311 U. S. 713. In that case the court apparently ruled that whatever "common-law property" existed in a *performance* of a musical composition by the recording of it ended with the sale of the record so that a contractual agreement or express servitude restricting the record to home use was ineffective.

Most recently, however, in *Capital Records, Inc. v. Mercury Records Corp.*, 105 U. S. P. Q. 163 (2d Cir. 1955) (not yet officially reported) decided by the same court on April 12, 1955 the *R. C. A. Mfg. Co.* case ruling as to publication, was severely limited, if not repudiated.

As the primary basis for the decision in the *Shapiro-Bernstein* case was that plaintiff's assignee was not an originator of the composition claimed to have been infringed, a finding of fact which probably could not successfully be attacked in the appellate court, no appeal was taken from the decision.

The copyright bar questioned the soundness of the reasoning in the *Shapiro-Bernstein* case and took the position that it was not the law. See page 26, *supra*.

In 1954, in *Mills Music, Inc. v. Cromwell Music, Inc.*, 126 F. Supp. 54, Judge Leibell in the Southern District of New York, holding in favor of plaintiff in a copyright in-

fringement suit, discussed defendant's argument that the work was in the public domain by reason of the manufacture and sale of phonograph records and agreed by dictum that the manufacture and sale of phonograph records in this country would constitute "publication, capable of destroying common-law copyright", relying upon the now dubious authority of *RCA Mfg. Co. v. Whiteman* as well as *Shapiro-Bernstein & Co. v. Miracle Record Co.*, *supra*. Holding, however, that there was no authorized manufacture and sale of records authorized in this country, the court found those cases inapplicable (at pp. 69-70).

Obviously, since plaintiff in that case was successful, there was no ground for its appealing. Thus the question has never been specifically considered and determined by any appellate court. That the dicta of the *Shapiro-Bernstein* case, of the *Mills Music* case, and of the instant case below are erroneous is demonstrated by a review of the theories and cases applicable.

Thus it is fundamental that the broadcasting of a work over the radio does not constitute a publication.

*Uproar Co. v. National Broadcasting Co.*, 8 F. Supp. 358 (D. C. Mass. 1934), mod. 81 F. 2d 373 (1st Cir. 1935), cert. den. 298 U. S. 670 (1936); *Brown v. Molle Co.*, 20 F. Supp. 135 (S. D. N. Y. 1937).

Nor does the performance of a legitimate play in a theatre; hence the play need not be copyrighted in order to remain protected.

*Ferris v. Frohman*, 223 U. S. 424 (1912).

Nor does the exhibition of a motion picture in a theatre.

*DeMille Co. v. Casey*, 121 Misc. Rep. 78, 201 N. Y. Supp. 20 (1923);

*Patterson v. Century Productions, Inc.*, 93 F. 2d 489, 492 (2d Cir. 1937), aff'd 19 F. Supp. 30 (S. D. N. Y. 1937), cert. den. 303 U. S. 655 (1938).

Nor does the oral delivery of a lecture.

*Nutt v. National Institute, Inc. For the Improvement of Memory*, 31 F. 2d 236 (2d Cir. 1929).

*Blanc v. Lantz*, 83 U. S. P. Q. 137 (Superior Court, Cal., 1949), which questioned the prevailing doctrine exemplified in the foregoing cases did not concern statutory copyright but was based specifically upon the California Civil Code (former Secs. 980, 983), which placed into the public domain any literary property which has been "made public". The Court there held that a radio broadcast and motion picture cartoon use of a musical laugh was a "making public" within the Code sections.

Since it is well established that a performance of a work does not constitute a publication or dedication of such work, no matter the scope of such performance or the size of the audience, it follows that the circulation of the performance embodied in tangible devices, such as records, equally does not.

The purpose and history of our copyright system confirm this conclusion. Even prior to the decision in *White-Smith Music Publishing Co. v. Apollo Co.*, 209 U. S. 1 (1908), and our present (1909) Copyright Act, the view prevailed that publication of a musical composition could take place only through "copies" of the work itself and not through sound reproducing devices. As was stated in *Stearn v. Rosey*, 17 App. D. C. 562 (1901):

"We cannot regard the reproduction, through the agency of a phonograph, of the sounds of musical instruments playing the music composed and pub-

lished by the complainants, as the *copy or publication* of the same within the meaning of the act. The ordinary signification of the words ‘copying’, ‘publishing’, etc. cannot be stretched to include it” (italics ours) (pp. 564-565).

This conception is crystallized in the present Act which defines the date of publication (for musical works) as the earliest date on which “copies” are placed on sale, sold, or publicly distributed, Sec. 26.

The Supreme Court, one year before the present Act, in *White-Smith Music Publishing Co. v. Apollo Co.*, *supra*, had held that “copies” must be visual ones—“written or printed” \* \* \* “in intelligible notation” \* \* \* “which others can see and read” (p. 17) and that mechanical sound reproducing devices could not be such (p. 18). Its decision had been anticipated in *Kennedy v. McTammany*, 33 Fed. 584 (D. Mass., 1888), appeal dismissed 145 U. S. 643 (1891), from which Justice Day quoted with approval:

“I cannot convince myself that these perforated sheets of paper are copies of sheet music within the meaning of the copyright law. They are not made to be addressed to the eye as sheet music, but they form a part of a machine. They are not designed to be used for such purposes as sheet music, nor do they in any sense occupy the same field as sheet music. They are a *mechanical invention made for the sole purpose* of performing tunes mechanically upon a musical instrument” (at p. 12) (italics ours).

In holding, therefore, that a musical composition copyrighted under the 1891 Act then in force could not be infringed through the issuance of sound reproducing devices, Justice Day went on to say:

“\* \* \* When we turn to the consideration of the act it seems evident that Congress has dealt with

the tangible thing, a copy of which is required to be filed with the Librarian of Congress, and whenever the words are used (copy or copies) they seem to refer to the term in its ordinary sense of indicating reproduction or duplication of the original \* \* \* (p. 16).

“*What is meant by a copy?* We have already referred to the common understanding of it as a reproduction or duplication of a thing. A definition was given by Bailey, J., in *West v. Francis*, 5 B. & A. 743, quoted with approval in *Boosey v. Whight, supra*. He said: ‘A copy is that which comes so near to the original as to give to every person seeing it the idea created by the original.’

“Various definitions have been given by the experts called in the case. The one which most commends itself to our judgment is perhaps as clear as can be made, and defines a copy of a musical composition to be ‘a written or printed record of it in intelligible notation’. It may be true that in a broad sense a mechanical instrument which reproduces a tune copies it; but this is a strained and artificial meaning. When the combination of musical sounds is reproduced to the ear it is the original tune as conceived by the author which is heard. These musical tones are not a copy which appeals to the eye. *In no sense can musical sounds which reach us through the sense of hearing be said to be copies as that term is generally understood*, and as we believe it was intended to be understood in the statutes under consideration. A musical composition is an intellectual creation which first exists in the mind of the composer; he may play it for the first time upon an instrument. *It is not susceptible of being copied until it has been put in a form which others can see and read \* \* \**” (italics ours) (p. 17).

Since the Copyright Act then in force (Act of 1891) like the prior Acts (*see Copyright Enactments, Copyright Office Bulletin No. 3*) gave no protection against mechanical reproduction but did provide protection against "publishing" and "copying"\*, the result of that decision was to sanction the manufacture and sale of mechanical reproductions without the consent of the copyright owner on the theory that such recordings were neither a copy nor a publication of the copyrighted musical work. It would seem obvious that the dicta of the several cases we have discussed which hold that phonograph record sales constitute a "publication" and that copyright is forfeited when phonograph records are sold prior to registration, represent a conceptual departure from the theory of the *White-Smith* case.

Such a forfeiture would have been repugnant and antithetical to the concept of copyright since even under common-law copyright the exercise of such mechanical rights not only worked no such forfeiture but was indeed vouchsafed to the copyright owner. Thus in discussing mechanical protection for aliens under the present 1909 Copyright Act in *Leibowitz v. Columbia Graphophone Co.*, 298 Fed. 342 (S. D. N. Y. 1923) Judge Learned Hand stated (p. 343):

"It is always unsafe to attribute a given intent to Congress, yet it may be that, as respects such copyrights, the benefits of the statute were extended to domiciled aliens only on condition of their reproducing copies for sale. Since it is publication which at common law defeats an author's common-law literary rights, it is conceivable that it was thought proper to leave domiciled aliens, who would not publish, to

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\* The author \* \* \* of any \* \* \* musical composition \* \* \* and the executors, administrators, or assigns of any such person shall \* \* \* have the sole liberty of printing, reprinting, publishing \* \* \* copying \* \* \* and vending the same \* \* \* Sec. 4952 of Revised Statutes as amended by Act of March 3, 1891.

such common-law rights. They are not necessarily without relief, although they can not proceed under the statute.”

See, also :

*George v. Victor Talking Machine Co.*, 38 U. S. P. Q. 222 (D. Ct. N. J. 1938) (not officially reported), reversed on other grounds, 105 F. 2d 679 (3rd Cir. 1939), cert. den. 308 U. S. 611 (1939);

*Monckton v. Gramophone Co.* (1912), 106 L. T. 84, 85.

The grant of mechanical rights to the statutory copyright owner was first made in the present Act, Section 1(e), which, as previously noted, similarly assimilates publication to “copies”, Section 26. See also Sections 10 and 13. This was the view, semble, of Justice Hughes in *Ferris v. Frohman, supra* (1912) where the plaintiff’s play, of which copies had not been printed or offered for sale, had been previously performed on the stage in London. Rejecting the defendant’s contention that such performance constituted a publication (by virtue of the then British Copyright Act) Justice Hughes stated:

“The present case is not one in which the owner of a play has *printed and published* it and thus, having lost his rights at common law, must depend upon statutory copyright in this country. The play in question has not been *printed and published* \* \* \* ” (p. 434).

“The public representation of a dramatic composition, *not printed and published*, does not deprive the owner of his common law right, save by operation of statute \* \* \* ” (p. 435). (Italics ours.)

Two years later, Judge Ward stated, in *Universal Film Mfg. Co. v. Copperman*, 218 Fed. 577 (2d Cir. 1914), aff’g 212 Fed. 301 (S. D. N. Y. 1914), cert. den. 235 U. S. 704 (1914), that in the analogous situation involving a motion picture photoplay (being “a performance of the scenario

\* \* \* of a play''), the sale of positive prints was only for exhibition purposes and conferred merely a performing right to the photoplay "entirely consistent with the \* \* \* common-law property in the play itself" (p. 579) and that "Sale of positive films after copyright was as consistent with its statutory ownership as was the sale of films before copyright with its common-law ownership" (p. 580).

This was evidently the view, too, of Judge Learned Hand in the above quotation from *Liebowitz v. Columbia Graphophone Co.*, *supra*.

More recently it has been squarely held that an "unpublished" musical work registered for copyright under Section 12 of the Act does not lose its copyright protection by virtue of the sale of phonograph records, *i.e.*, that such sale of phonograph records is not a publication vitiating copyright protection for the work as an "unpublished" work, *Yacoubian v. Carroll*, 74 U. S. P. Q. 257 (S. D. Cal. 1947—not officially reported).

The decision below and the dicta of the *Shapiro-Bernstein* and *Mills Music* cases thus not only depart from the doctrine and explicit decision of the *White-Smith* case to which the Courts have consistently adhered in copyright matters,\* but also are contrary to the general tendency of

\* Of the four "American Copyright Experts" who as official American delegates attended and participated at Geneva in September, 1952, in the drafting and adoption of the Universal Copyright Convention, the two who have written on this question state that the prevailing American view is that the sale of records is not a publication of the musical work involved. This accords with the convention provision (Article VI).

*Arthur E. Farmer*: Report to Section of Patent, Trademark and Copyright Law of American Bar Association, at p. 11 (Sept. 15, 1952);

*John Shulman*: "A Realistic Treaty", *The American Writer*, Vol. 1, No. 2 (Nov. 1952) 18, at p. 23.

This convention was ratified by the U. S. Senate on June 25, 1954 and on November 5, 1954 President Eisenhower executed the instrument of ratification.

the Courts as stated in *Baron v. Leo Feist, Inc.*, 78 F. Supp. 686 (S. D. N. Y. 1948); aff'd 173 F. 2d 288 (2d Cir. 1949) :

“ \* \* \* The courts, in their interpretations of the requirements of the Copyright Act, have shown a tendency to deal liberally with those thought entitled to have its protection, in accordance with the broad purpose of that legislation, *Washingtonian Pub. Co. v. Pearson*, 1939, 306 U. S. 30, 59 S. Ct. 397, 83 L. Ed. 470; *United States v. Backer*, 2 Cir., 1943, 134 F. 2d 533; *Campbell v. Wireback*, 4 Cir., 1920, 269 F. 372; *Patterson v. J. S. Oglivie Pub. Co.*, C. C. S. D. N. Y., 1902, 119 F. 451” (at p. 692).

#### POINT FOUR

**Appellee's failure to furnish to the appellants the essential report and pay the royalties with respect to appellee's manufacture and sale of the phonograph records “You Can't Be True”, even after the filing of the notice of use of the new work by appellant Biltmore, pursuant to Section 1(e) 17 U. S. C., subjects the appellee in any event to the penalties provided by the Copyright Law.**

The District Court below held that the basic work was not protectable against defendant's infringement because of the German manufacture and sale of phonograph records and that the new work was not protected against infringement of the new arrangement because of the failure, respectively, of the copyright proprietor of the basic work and the infringing composer of the new arrangement to file a notice of use under Section 1(e) of the Copyright Act (84, Conclusions 3 and 85, Conclusion 5).

Even if we assume (without conceding) such ruling correct as to the effect of the German recording the District

Court still completely overlooked the fact that the greatest portion of the infringing records manufactured by the defendant were manufactured and sold after the filing of a 1(e) notice of use by the appellant Biltmore. This notice would undoubtedly be sufficient as a notice for the basic work as well, since Section 1(e) gives the right to a compulsory license only with respect to a *similar* use. In the instant case, since the only use which was authorized was of the new work, no separate notice of use was required for the basic work.

The specific question involved is whether the requirement of the statute

“It shall be the duty of the copyright owner, if he uses the musical composition himself for the manufacture of parts of instruments serving to reproduce mechanically the musical work, or licenses others to do so, to file notice thereof, accompanied by a recording fee, in the copyright office, and any failure to file such notice shall be a complete defense to any suit, action, or proceeding for any infringement of such copyright, \* \* \* ”

entails in any way a forfeiture of rights. The Court below held that it does because, notwithstanding the filing of the notice under 1(e), no recovery was granted even as to phonograph records manufactured after the filing of the notice of use.

Such holding is contrary to the theory applied by the Supreme Court in *The Washingtonian Publishing Co., Inc. v. Pearson*, 306 U. S. 30 (1939). In that case the question arose as to whether rights were lost by the copyright owner for failure to make a prompt deposit of copies and application for registration of a published work. The infringer claimed that failure to make prompt deposit as required by Section 12 (the time lapse between publication and deposit in that case was 14 months and the copies were deposited for registration after the actual infringement was committed by the defendant) invalidated the copyright.

The Court held the defense bad. The Supreme Court view is that unless the Copyright Act is precise as to filing time requirements and as to the effect of non-filing within a precisely stipulated time, a loss of rights will not result.

"while no action can be maintained before copies are actually deposited, mere delay will not destroy the right to sue. Such forfeitures are never to be inferred from doubtful language" (p. 42).

In the instant case although the section is phrased somewhat differently there is no doubt that as in the case of deposit of published copies for the purpose of copyright registration, the filing of the notice must occur after the actual licensing or use for mechanical recordation purposes.

There is no requirement that the notice of use be filed prior to the licensing or use and since the filing must be done afterward, the question is, how soon afterward in order to preserve the copyright proprietor's rights with respect to mechanical reproduction? Since the purpose of the filing requirement is to give notice so that others may take advantage of the compulsory license provisions, a logical interpretation would be that after the initial mechanical use and until the filing of such notice the mechanical rights are not enforceable but suspended against all recordings.

Thus, one of the foremost authorities on American Copyright Law, Weil on *Copyright Law* (p. 97) states, "No time is provided for filing the notice, so that, apparently, it may be filed at any time before suit." Thus, once the notice is filed, the suspended mechanical right will in any event be enforced as to records manufactured thereafter. This would also follow from the theory that each infringing act constitutes a separate infringement.

That the penalty portions of Section 1(e) applicable to a failure to file the required notice is to be limited rather than extended in its operation is indicated by the case of *F. A. Mills Inc. v. Standard Music Roll Co.*, 223 Fed. 849

(D. C. N. J. 1915) aff'd 241 Fed. 360 (3rd Cir. 1915). In that case a defense of failure to file the notice of use under Section 1(e) was interposed in an action which claimed infringement by reason of the printing of lyrics. The Court held that the statutory proviso that the failure to file the notice of user should constitute a defense to any infringement was to be limited to any infringement by mechanical reproduction, and hence the defense was invalid.

The restriction of the application of this statutory penalty is further indicated, in addition to the statement in the case of *The Washingtonian Publishing Co. Inc. v. Pearson*, *supra*, by provisions of other sections of the Copyright Act where, when forfeiture is intended, specific provision therefor is made. Thus Section 21, in handling the question of absence of copyright notice, refers to "invalidate the copyright or prevent recovery". Likewise, Section 24 specifically provides that in default of application for renewal and extension "the copyright in any work shall determine at the expiration of 28 years from first publication". Likewise, Section 30 requires the recordation of assignments of copyright providing "in default of which it shall be void as against any subsequent purchaser or mortgagee for a valuable consideration \* \* \*".

Any interpretation of the penalty provision of Section 1(e) for failure to file a notice of use other than one which gives only previous infringers a defense pending compliance by the copyright owner would constitute an unprecedented forfeiture for the benefit of an outright infringer. As Judge Learned Hand of the Second Circuit Court of Appeals has recently said:

"\* \* \* We are unwilling to allow a barefaced infringer to invoke an innocent deviation from the letter that could not in the slightest degree have prejudiced him or the public." *National Comics Publications, Inc. v. Fawcett Publications, Inc.*, 191 F. 2d 594, 603 (2d Cir. 1951).

## POINT FIVE

**Appellee is liable individually although the phonograph records were manufactured and sold by a corporation which he managed and controlled.**

In his argument below the appellee claimed immunity from liability because the phonograph records were actually manufactured and sold by a corporation known as "Chicago Recording Studios Inc." The agreed statement of facts states that he was "the President and General Manager of" the corporation (41) which he managed and controlled (42) and that he "arranged for the recording, release, and sale of all phonograph records issued by Chicago" (41). Between October 1, 1947 and September 1, 1953, Chicago, under the management and control of Kittinger, sold 207,000 phonograph records of the new arrangement (42).

In the district court, appellee argued that he was insulated from liability by reason of the corporate structure and cited the case of *Edward B. Marks Music Corporation v. Foullon*, in the district court for the Southern District of N. Y., 79 F. Supp. 664 (1948). In affirming the judgment in that case the Court of Appeals for the Second Circuit, 171 F. 2d 905 (1949), said:

"Like any other officer, director, or shareholder of a company, Foullon is not liable on the 'License', a contract of United Masters" (at p. 908).

It is clear that the Court of Appeals' view was that the officer, director or employee would not be liable if it was a contract liability; obviously it would be otherwise if the liability sought to be imposed was based on a tort.

Where they individually participate in the acts constituting the infringement, directors, officers and stockholders of a corporation are guilty of a tort and personally liable.

*Adventures in Good Eating, Inc. v. Best Places to Eat, Inc.*, 131 F. 2d 809 (7 Cir. 1942), (president of corporation);  
*Pathé Exchange Inc. v. International Alliance*, 3 F. Supp. 63 (S. D. N. Y. 1932) (president of corporation);  
*Falk v. Curtis Publishing Co.*, 98 Fed. 989 (E. D. Pa. 1900) (corporate agent);  
*Conde Nast Publications Inc. v. Vogue School*, 105 F. Supp. 325 (S. D. N. Y., 1952) (director and sole stockholder);  
*Associated Music Publishers Inc. v. Debs Memorial Radio Fund, Inc.*, 141 F. 2d 852 (2 Cir. 1944), aff'd, 46 F. Supp. 829 (S. D. N. Y. 1942) cert. den. 323 U. S. 766 (employee manager);  
*Towle v. Ross*, 32 F. Supp. 125 (D. Oreg. 1940) (government employee);  
*Leon v. Pacific Tel. & Tel. Co.*, 91 F. 2d 484 (9th Cir. 1937) (employee wife).

See also:

*De Acosta v. Brown*, 146 F. 2d 408 (2d Cir. 1944), cert. den. 325 U. S. 862;  
*Stuart v. Smith*, 68 Fed. 189 (S. D. N. Y. 1895);  
*Harper v. Shoppell*, 28 Fed. 613 (S. D. N. Y. 1886);  
*Altman v. New Haven Union Co.*, 254 Fed. 113 (D. Conn. 1918);  
*Kalem Co. v. Harper Bros.*, 222 U. S. 55 (1911).

## POINT SIX

Judgment should be reversed with appropriate instructions for judgment for appellants for an accounting of profits and for damages.

Dated: July 11, 1955.

Respectfully submitted,

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